GOVERNMENT OF INDIA
PANCHAYATI RAJ
LOK SABHA

UNSTARRED QUESTION NO:3511
ANSWERED ON:23.03.2017
Misuse of Funds in Panchayats
Choudhary Shri Ram Tahal

Will the Minister of PANCHAYATI RAJ be pleased to state:

a) whether the development expenditure of gram panchayats especially in Ranchi district of Jharkhand have been overstated by double fold and payments are being made accordingly which is the misuse of the budget allocated for panchayati raj institutions in the country;

b) if so, the details of the procedure and rules to check the leak effectively; and

c) the steps being taken/ proposed to be taken by the Union Government in this regard?

Answer

MINISTER OF STATE IN THE MINISTRY OF PANCHAYATI RAJ
(SHRI PARSHOTTAM RUPALA)

(a)-(c) : 'Panchayat' being a State subject, undertaking development projects in the Gram Panchayats (GPs) is primarily the responsibility of the concerned State Governments. However, under Fourteenth Finance Commission (FFC) award period 2015-20, substantial funds to the tune of Rs. 2,00,292.20 crore are being devolved over a period of five years (2015-20) to Gram Panchayats constituted under Part IX of the Constitution for 26 States including Jharkhand to support and strengthen the delivery of basic services including water supply, sanitation, including septic management, sewage and solid management, storm water drainage, maintenance of community assets, maintenance of roads, footpaths, street-lighting, burial and cremation grounds and any other basic service within the functions assigned to them under relevant legislations, creation of reliable data base of local bodies' receipts & expenditure through audited accounts and for improvement of own source revenue of GPs.

Excess payment of Rs.24.81 lakh on purchase of Solar Street Light in 2013-14 and non-receipt of Bank Guarantee of Rs.2.72 lakh under Zilla Parishad, Ranchi has been detected. Action has been initiated against Mukhia and Panchayat Sachiv of Concerned Panchayats. Recovery of the said amount has been initiated.
The State Government has issued detailed procedure for execution of schemes under FFC grants to the Panchayats. Further, Ministry of Finance (MoF) guidelines dated 08.10.2015 for implementation of FFC recommendations local bodies enjoin upon States to constitute a High Level Monitoring Committee (HLMC) headed by Chief Secretary for monitoring and concurrent evaluation of local bodies. Ministry of Panchayati Raj (MoPR) has constituted a Coordination Committee headed by Secretary, Panchayati Raj to inter-alia guide and support States and local bodies in the implementation of FFC recommendations, monitor progress of expenditure of grants by local bodies and suggest remedial measures as per the MoF Guidelines. State Governments are also mandated to put in place third party audit mechanism. MoPR has developed Panchayat Enterprise Suite (PES) constituting 11 common core applications which cover the entire gamut of core governance functions of Panchayats. These application together foster transparency and accountability in the functioning of Panchayats.
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